INCOMING TELEGRAM Department of State

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Control: 14295
Rec'd: May 23, 1961
9:36 a.m.

FROM: Accra

TO: Secretary of State

NO: 1360, May 22, 3 p.m.

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DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY RS DATE 14 MAY 1982

DEPTEL 1179.

[redacted] he drafted Nkrumah reply to bank invitation and that although Nkrumah genuinely concerned at slowness VALCO negotiations message mainly reflects [redacted] worry that undue further delays may cause Nkrumah take some impulsive action favoring Soviet bloc. [redacted] Nkrumah as preoccupied and nervous about many developments internal and external and implied he has therefore not had time get unduly concerned at progress Volta negotiations. In order stave off any sudden and possibly dangerous outbrust of impatience on Nkrumah's part Embassy officer gave [redacted] oral reassurances as outlined reference telegram including statement re transmission grid financing which he agreed pass to President immediately. [redacted] said peculiar rumor now rampant in Accra to effect USG pulling out of Volta project had not reached Nkrumah but was grateful for official reassurances at this time in event it should.

[redacted] expressed assumption IBRD and possibly USG would wish have heart to heart talk with Nkrumah on fiscal program prior to loan agreement signature. He said he hoped some one like Iliff or Knapp would come from bank and possibly Governor Harriman from USG both for those conversations and actual signature. He hoped emphasis would be on need for future probity rather than on past sins. Nkrumah already being [redacted] and by budget advisors and Jackson feels that while talks /should

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should be held they should be conducted with utmost tack in view timing immediately before Nkrumah departure for Moscow in first week of July.

[redacted] belief Nkrumah would be completely receptive to discussion of possible regional application of Volta project. [redacted] Nkrumah tends compartmentalize economic and political problems and would not be adverse to sale of Volta power to neighbors regardless of temporary political disagreements.

Ghana team consisting of Milton, Rouse Jones, Winful and Hayford scheduled arrive Washington May 25 for working level discussions. Minister, possibly Gbedemah, may follow later if necessary.

If USG and World Bank prepared sign loan agreements in Accra, Embassy urges US send official of senior rank whom Nkrumah knows and likes. This will be excellent opportunity to condition Nkrumah's attitude prior his Moscow visit. As for incidental interest Nkrumah plans to invite Henry Kaiser to officiate at ground breaking ceremonies in September.

RUSSELL

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